

# Perspectives on Major Markets

**Southern California**

**Visitor Industry Outlook Conference**

**Presented by: Tiffany Urness**

**Research Manager, California Tourism**

**October 7, 2005**





# *2004 in Review*

- Governor Arnold Schwarzenegger elected
- US and CA economies on the mend
- Rising gas prices
- Low air fares
- Weak dollar
- Travel industry recovery



# Travel Industry Recovery

- US tourism industry growth +6.7%
- US hotel occupancy +3.7%
- US Av. room rates +4.0%
- CA travel spending +7.4%
- CA domestic visitors +4.8%
- CA overseas visitors +5.6%

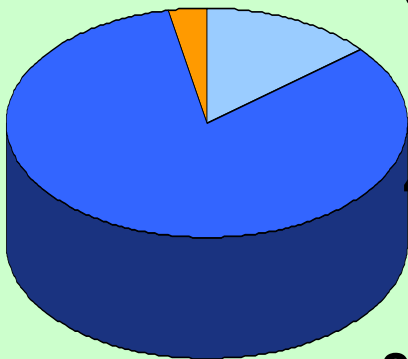
# California Travel and Tourism

## 2003 - 2004



**2003**

**308 Million PTs**



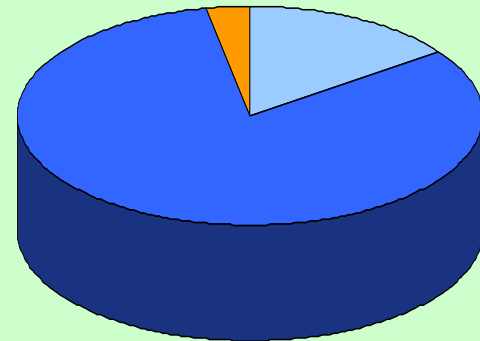
Int'l  
8.5M      8.9M

Out-of-State  
45.3M      48.6M

In-State  
254.6M      265.7M

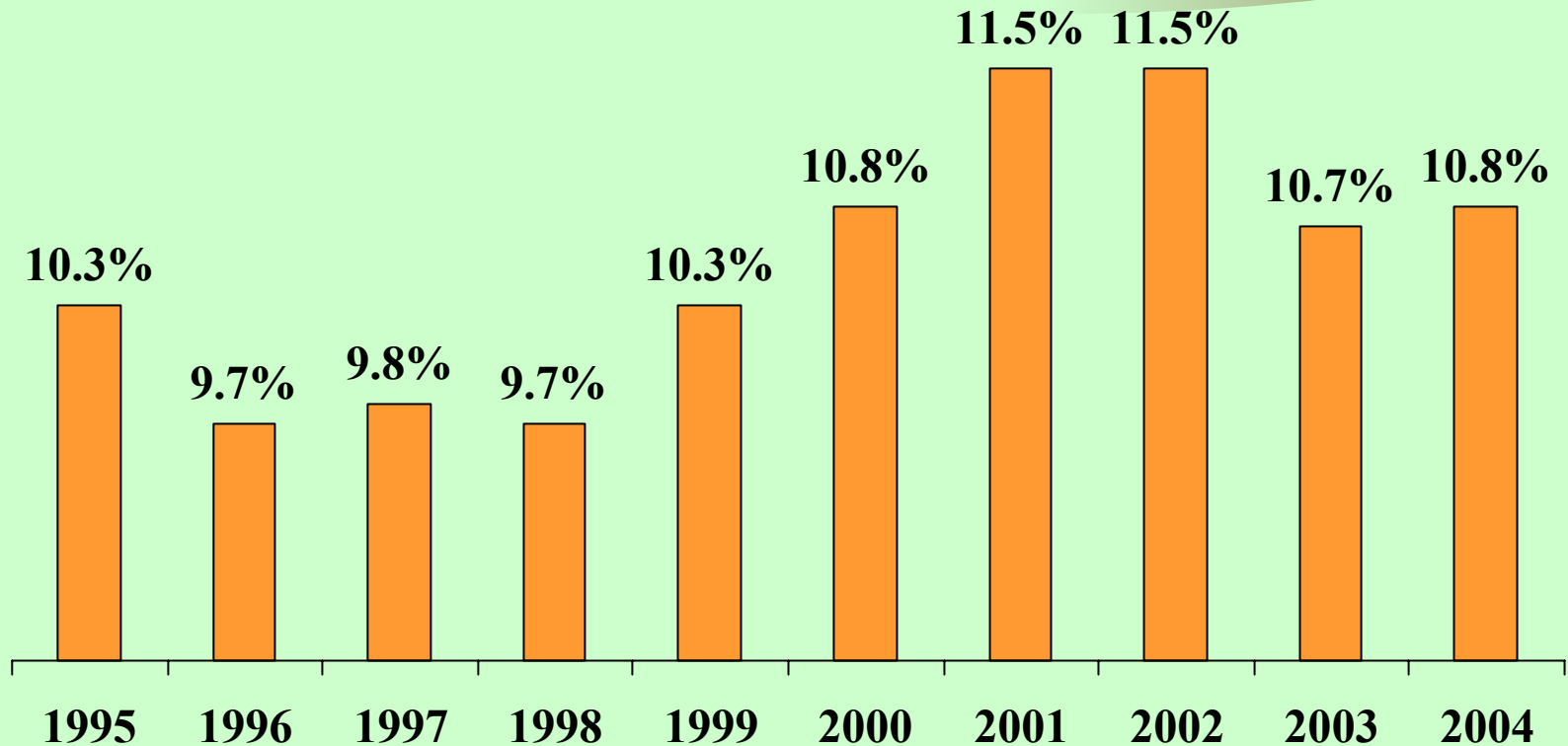
**2004**

**323 Million PTs**





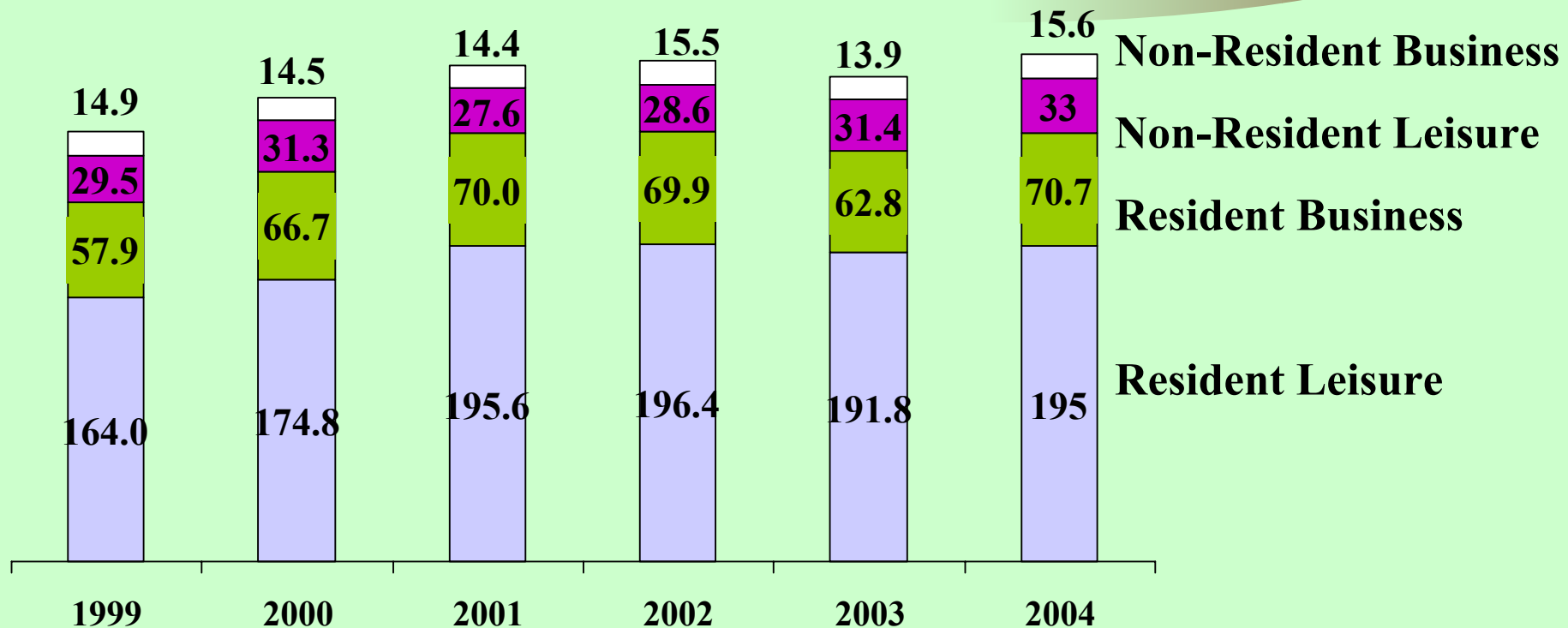
# California Domestic Market Share (% US person-trips)





# *CA Domestic Volume by Segment*

*(Millions of person-trips)*

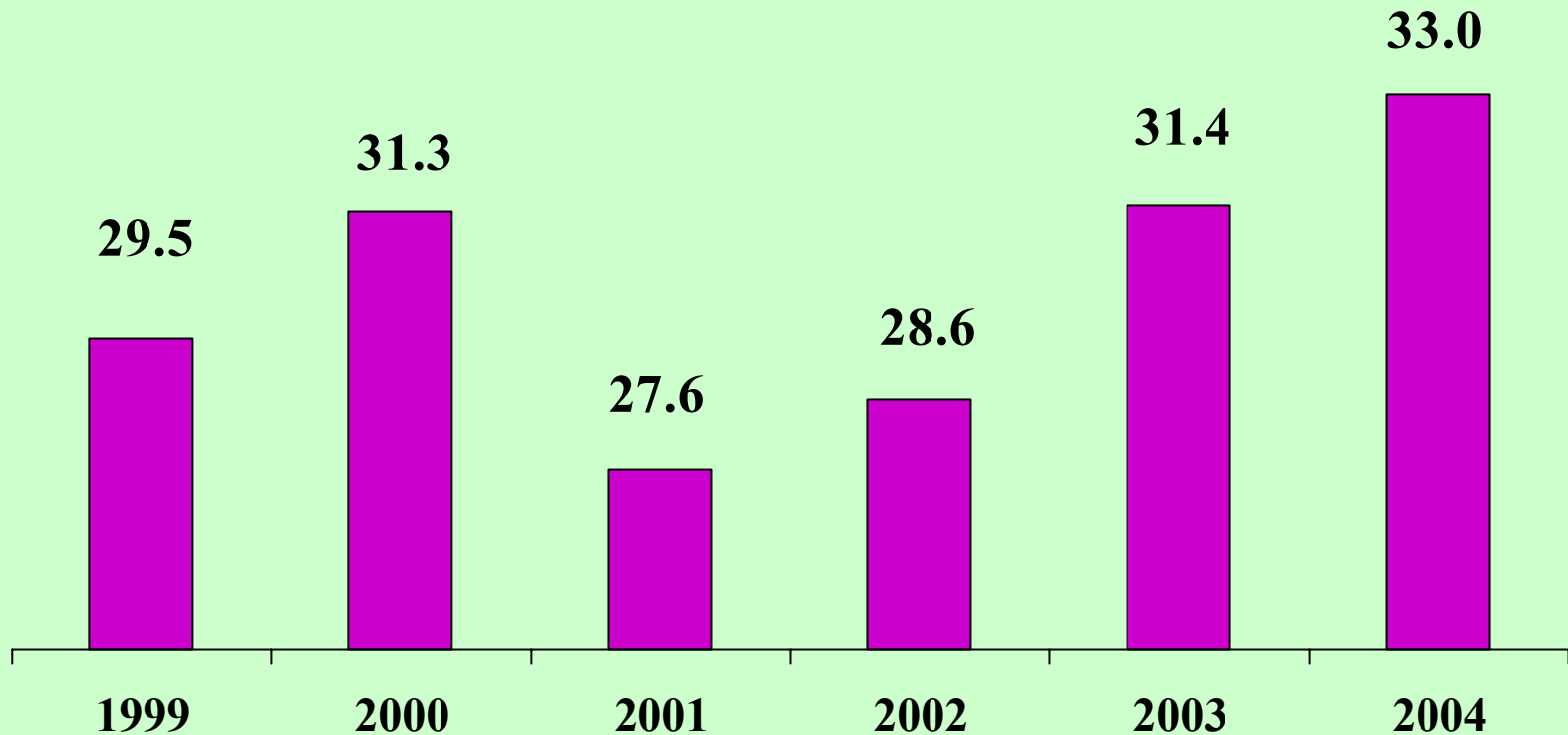


Source: D.K. Shifflet & Associates Ltd.; California Tourism Research



# *CA Non-Resident Leisure Volume*

*(Millions of person-trips)*

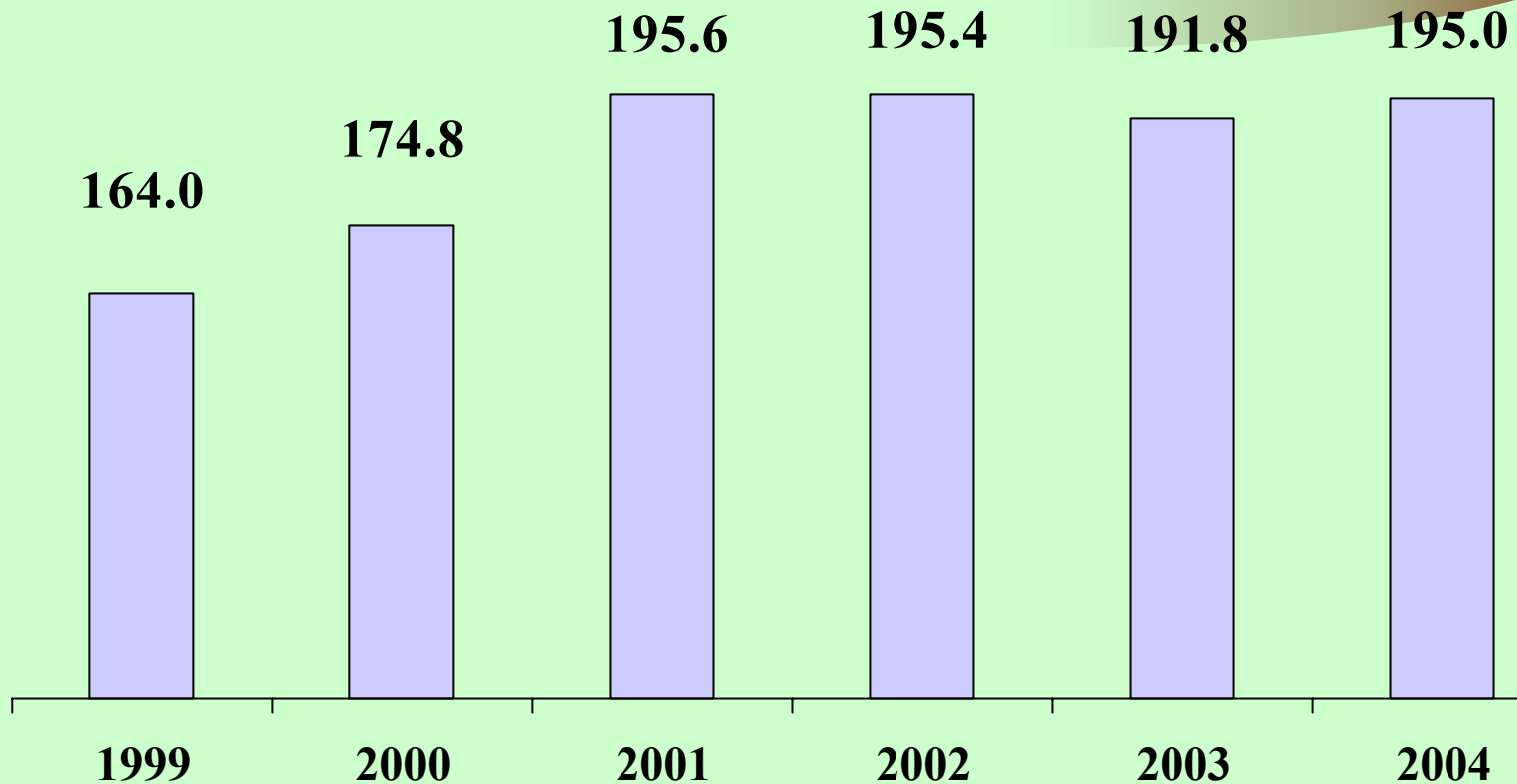


Source: D.K. Shifflet & Associates Ltd.; California Tourism Research



# *CA Resident Leisure Volume*

*(Millions of person-trips)*



Source: D.K. Shifflet & Associates Ltd.; California Tourism Research



# *2005 in Review*

- \$7.3 M state funding restored to California Tourism
- CTTC partnership with Southwest Airlines
- California Ski/Snow Sports Campaign
- US funds international campaigns
- Katrina and Rita devastation
- Highest gas prices ever
- Retail sales drop in August



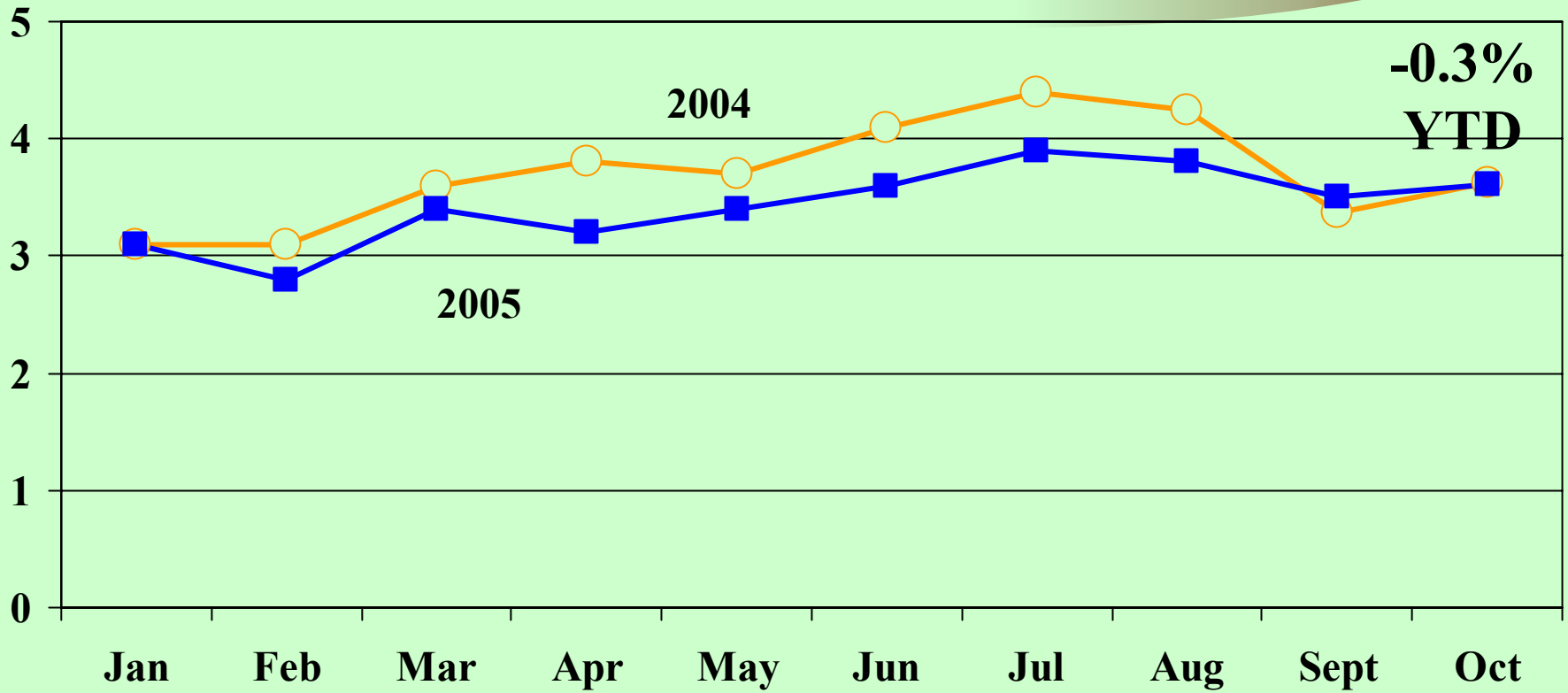
# *2005 Travel Industry YTD*

- US hotel occupancies and room revenues are up, 2.6% and 8.1%
- CA up, 3.4% and 9.7%
- Domestic air travel from key markets up
- RV rentals by Americans up 22%

# Monthly Arrivals and Departures – LAX

## Domestic Flights, 2004 - 2005

(Millions of passengers)

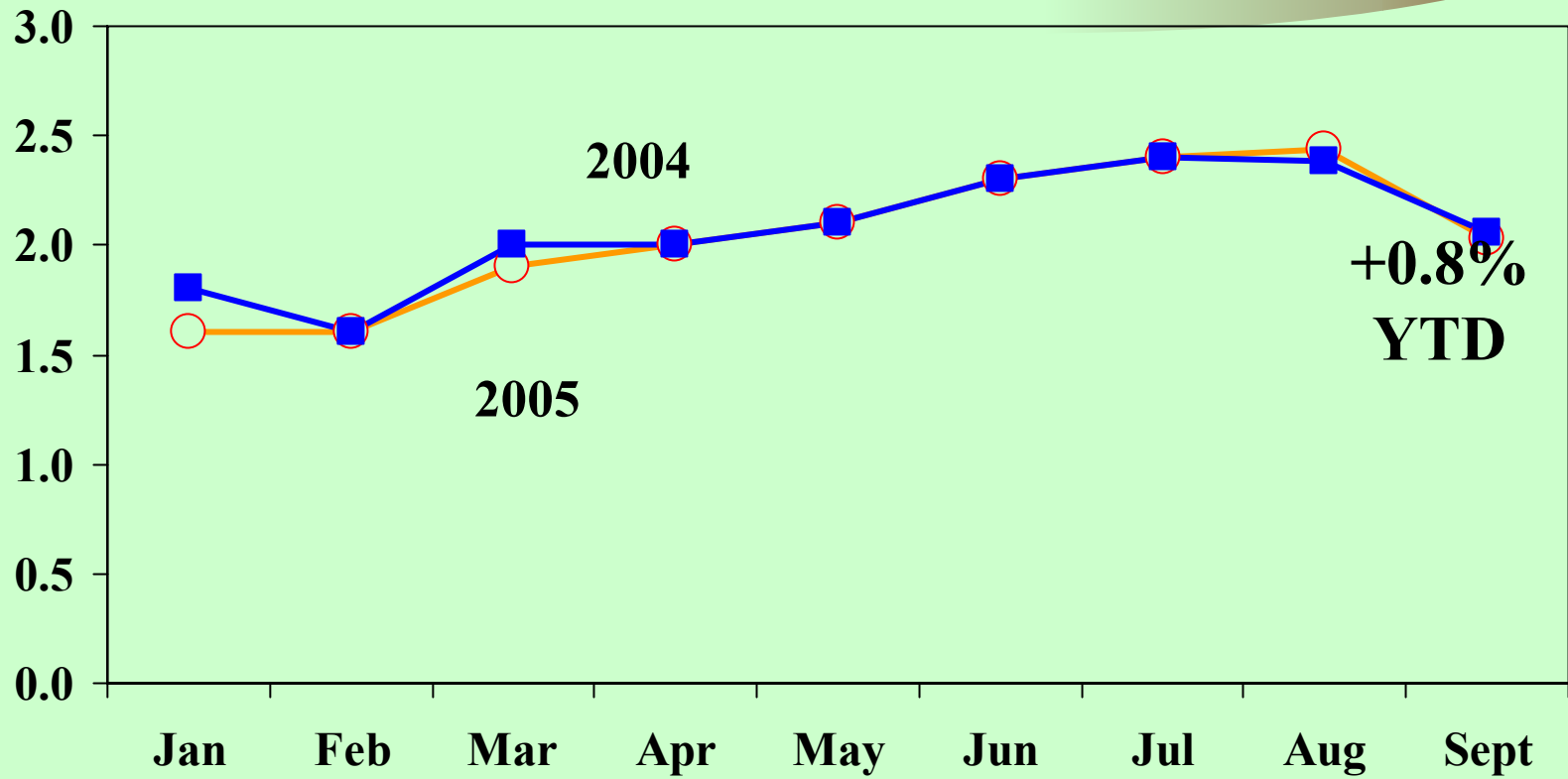


Source: Los Angeles World Airports, Volume of Air Traffic

# Monthly Arrivals and Departures – SFO

## Domestic flights, 2004-2005

(Millions of passengers)

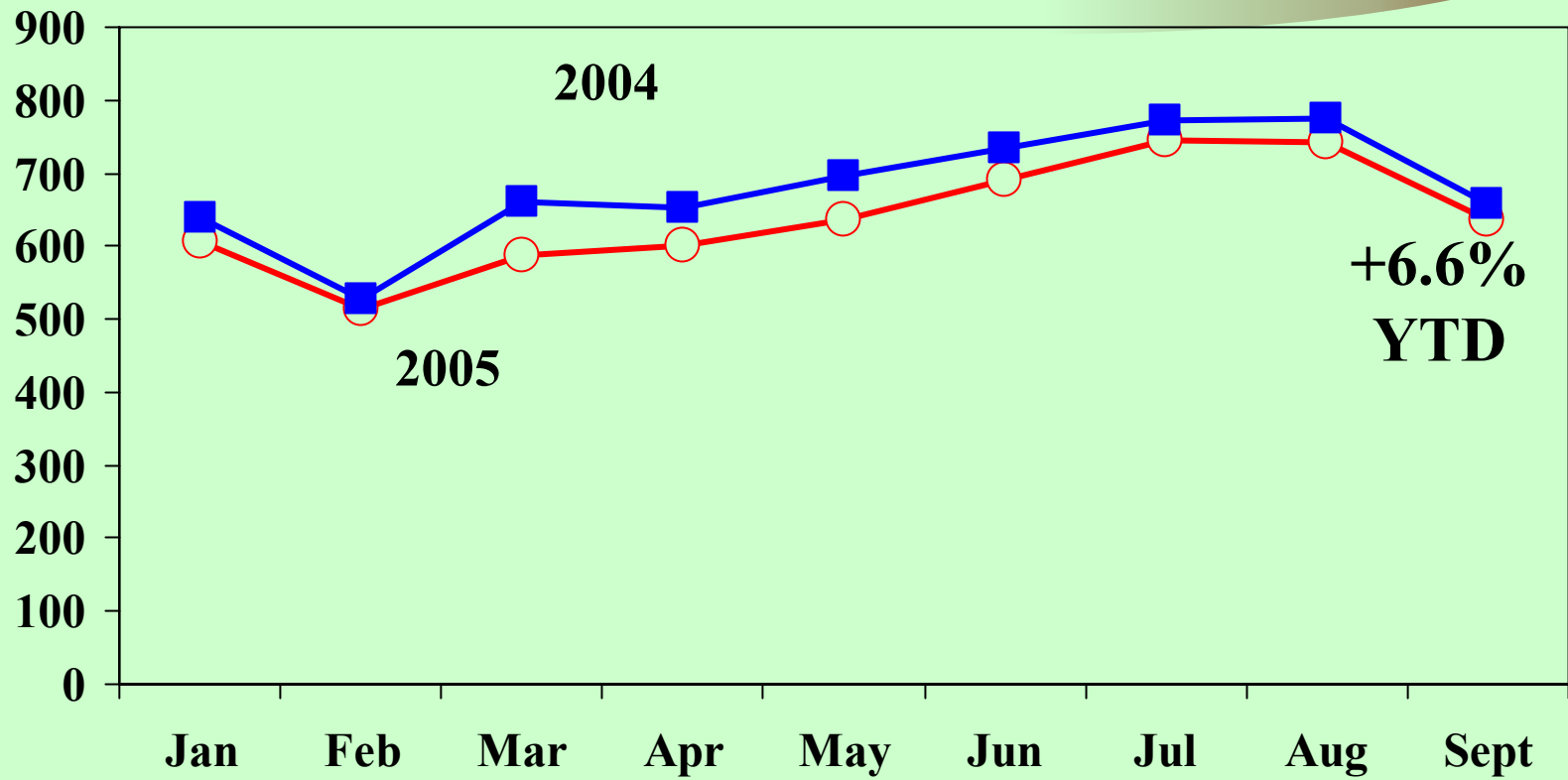


Source: San Francisco Int'l Airport, Comparative Traffic Reports

# *Monthly Arrivals and Departures – SFO*

## *International Flights, 2004-2005*

*(Thousands of passengers)*

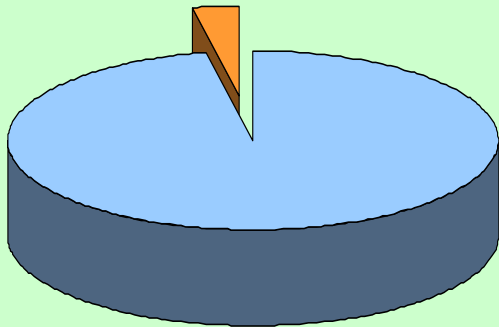


Source: San Francisco Int'l Airport, Comparative Traffic Reports

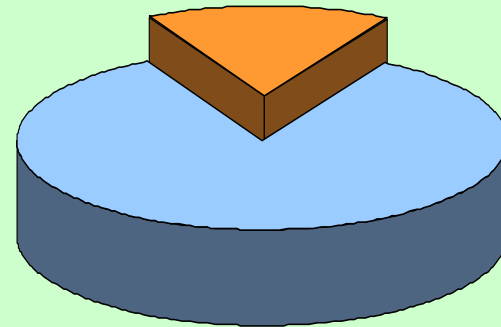


# *CA International Visitors* (2004)

**3% of Visitor  
Volume**



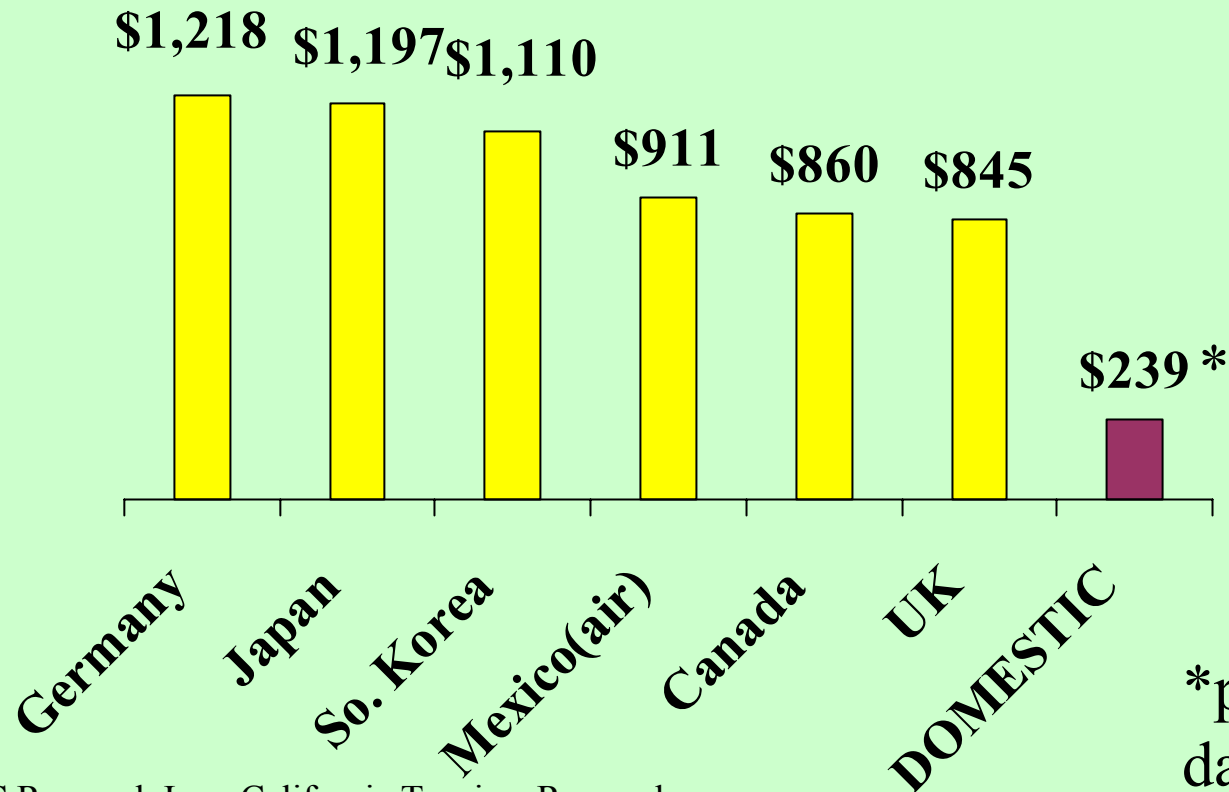
**16% of Visitor  
Spending**



Source: INS Point-of-entry arrivals; CIC Research Inc.



# *International Visitor Spending* (Daily per capita in US x nights in CA)



\*pppc x mean  
days in CA



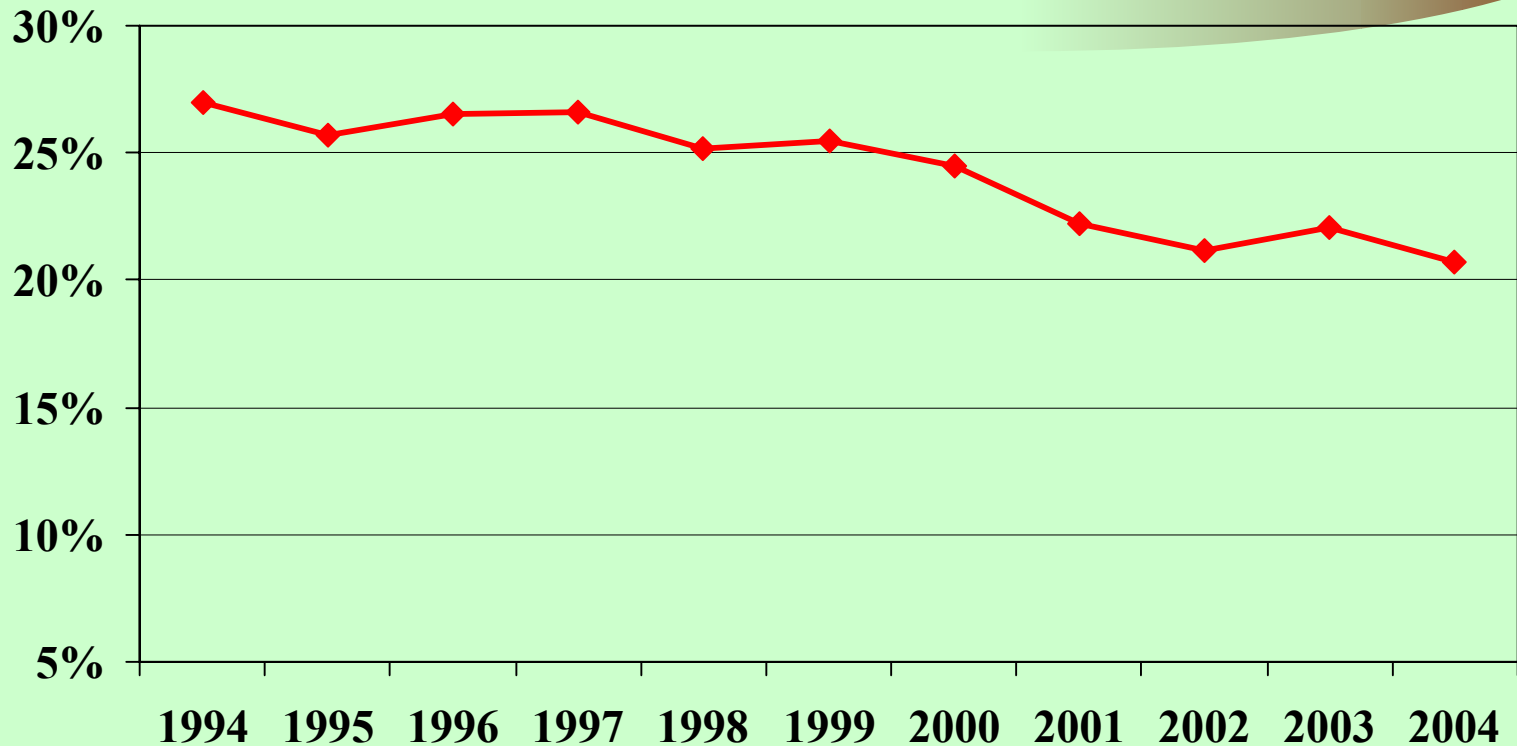
# *Top CA International Markets* (2004)

- **Mexico** 3,700,000 e
- **Canada** 983,400
- **UK** 693,000
- **Japan** 630,000
- **Germany** 275,000
- **So. Korea** 273,000



# *CA Overseas Market Share*

## *1994 - 2004*



Source: CIC Research Inc.



# *2006 Outlook*

- Cost of travel will increase
- California's closer-in markets likely to outperform long-haul markets
- California winter destinations and activities should do well
- Modest growth in international travel



# 2006 Outlook

	Winter	Spring
• US Leisure	+5.7%	+3.4%
• CA Leisure	+ 3.9%	+3.4%
CA Business	+1.0%	+1.5%
• CA Resident	+2.9%	+3.7%
• CA Non-Resident	+3.6%	-0.9%



# 2006 Outlook



Winter      Spring

• CA Length of Stay (days)	3.69	3.55
% Change	+2.4%	+0.7%
• CA Av. Exp (ppd)	\$88.20	\$86.80
% Change	+1.2%	+0.9%



# *Trends to Watch*

- Generation X comes of age
- Luxury travel
- Heritage tourism
- Women traveling solo
- Pet Travel



**[www.visitcalifornia.com](http://www.visitcalifornia.com)**

**Travel Industry: Research & Statistics**

**Research@cttc1.com**